Make amends after sorry episode

THE online rantings of discontents about the celebration plans of the Pilipino Independence Day Council Singapore have left an ugly trail. The sorry episode saw the organisers removing their Facebook post to canvass support for the event, and recoiling from abusive phone callers who wanted the June 8 event to be cancelled. Even though other Singaporeans rallied behind the Filipino community and urged them to stay the course, the toxicity of the vitriol was sufficient to unravel the Filipinos' plan to gather at Ngee Ann City Civic Plaza in Orchard Road. Now, the annual celebration here has been cancelled, for the first time in over 20 years. Had Singapore Day, marked abroad by Singaporeans and

their guests, been called off under similar circumstances, there is no doubt that all Singaporeans would have felt abused and let down by their foreign friends.

The skid marks of such incidents tend to leave a long trail and are not easily erased because of the acute discomfort evoked by anything that smacks of xenophobia. One might regard the acts of the anonymous perpetrators – there's no telling who or how many – as no different from other sporadic and excessive bursts of cyber fury. Yet, unfortunately, their impact was heightened by the underlying resentment towards overcrowding and job competition ascribed to foreigners.

Not surprisingly, the incident made

the rounds abroad. When Singaporeans are linked with such unwelcoming attitudes, others might begin to look askance at them. Citizens of a small global city, who must engage with the world to develop their nation and hold their own against larger competitors, can scarcely afford a reputation for being unwelcoming to foreigners.

The harm caused cannot be undone but amends can be made, say, by organising an informal get-together for Filipinos to mark the 116th anniversary of the Philippines' independence. Even if it is just a no-frills event, such a gesture by some well-meaning groups here would go a long way to show that Singaporeans are indeed capable of

being gracious hosts.

There are about 172,700 Filipinos working here, according to Philippine government data cited by news agencies. A good number of them care for Singapore families as helpers; many are in the retail and food and beverage sectors bringing a courteous touch to the service; yet others are skilled professionals who interact well with others. Singapore Kindness Movement and Coca-Cola Singapore used drones to deliver drinks to high-rise foreign construction workers to show appreciation for their work. Similar sentiments should be expressed to Filipinos here, at the very least by helping to find an appropriate venue for them to gather next month.

Challenges of the global city

By RAZEEN SALLY
FOR THE STRAITS TIMES

CITIES have been the crucible of politics, economics, society and culture down the ages. Unprecedented urbanisation, now overwhelmingly outside the West, makes them even more important. Cities come in various shapes and sizes. One type is the "global city"; membership is extremely limited.

A global city is where truly global services cluster. Business – in finance, the professions, transport and communications – is done in several languages and currencies, and across several time zones and jurisdictions.

Such creations face a unique set of challenges in the early 21st century.

Today, there appear to be only five global cities. London and New York are at the top, followed by Hong Kong and Singapore, Asia's two services hubs. Dubai, the Middle East hub, is the newest and smallest kid on the block. Shanghai has global-city aspirations, but it is held back by China's economic restrictions – the vestiges of an ex-command economy – and its Leninist political system. Tokyo remains too Japan-centric, a far cry from a global city.

The global city has a relentless market logic. It is where Adam Smith, David Hume, Milton Friedman and F.A. Hayek would feel most at home. It has to be the most open to trade, foreign capital and migrant workers. It must have among the most business-friendly regulatory environments.

Its infrastructure – physical infrastructure as well as "soft" infrastructure (such as education, skills and cultural activities) – must also be among the most advanced. Above all, it has to be a hive of individual freedom, where creative ideas, entrepreneurship and innovation can thrive.

The medieval adage, *Stadtluft macht frei* ("city air makes you free") finds its most powerful expression in the twenty-first century global city.

But the logic of the global city runs counter to that of the "normal country". Normal countries are more ambivalent about the market and less open to the world. Their citizens probably want to lead settled, secure lives rather than constantly having to adapt to changing global market conditions.

London and New York – global cities that are part of normal countries – face this contradiction all the time. The natives of Hong Kong and Singapore are no longer dirt-poor immigrants. Overwhelmingly, they are settled and middle-class, with increasing "normal-country" aspirations that sometimes jar with global-city imperatives.

How do global cities rate against each other? London and New York have historic "first-mover" advantages, especially in having the world's most advanced financial markets. Hong

Kong is a de facto city-state, combining municipal and nation-state functions, though under Chinese sovereignty. Singapore is a de jure city-state, with its own military and independent trade and foreign policies.

Both Hong Kong and Singapore outrank other cities, and indeed other countries, in having the best business climates, hard infrastructure and quality of governance. Indeed, the International Finance Corporation, an arm of The World Bank, ranks Singapore and Hong Kong as the world's best when it comes to the ease of doing business. Their education systems are among the most advanced. They are also the most open economies in the world to trade and foreign

capital.

Dubai is another de facto city-state, though part of the United Arab Emirates' federal system. It is extreme in one respect: about ninety per cent of its population is

foreign. Singapore comes next: about 40 per cent of its population is non-Singaporean. Dubai is also the most authoritarian global city: power is centralised in the ruler and his family.

Now take a look at a few key issues through the prism of the global city.

First, global cities are not manufacturing hubs. Rather they specialise in global services, which in turn drive a cornucopia of ancillary local services. Services account for ninety per cent or more of GDP in global cities – with the exception of Singapore, where manufacturing is still over 20 per cent of GDP. Global cities are the services hubs of global supply chains, not least in hosting the

headquarters of multinational firms.

Even Singapore has only become a global city because it has diversified into services niches, such as fund management, commodities trading and education, in which it is now the Asian hub. And one wonders how much manufacturing, even with high-value content, will be left in Singapore in a decade or two.

The second issue relates to openness and governance. Here self-governing city-states – Hong Kong, Singapore and, to a lesser extent, Dubai – have the advantage. Not only can they excel at municipal policies, but they can also have free-trade policies and be exceptionally open to migrants. Because they are not city states, London and New York do not have that freedom.

More generally, city-states have the freedom to make their policies and institutions lean and fit to maximise their returns from the world economy.

A third issue concerns geographic space. This is where city-states are at a disadvantage. Unlike London and New York, they do not have hinterlands within their territories where low-value economic activity can relocate and where people can move in search of a lower cost of living.

Hong Kong's hinterland is the Greater Pearl River Delta, but it comes under mainland China's jurisdiction. Singapore's hinterland is southern Johor in peninsular Malaysia. For both cities, expanding geographic space is all about cross-border economic integration. That depends on good relations with and goodwill from sovereign neighbours.

The final issue has to do with inequality and related social issues. The present age of economic globalisation has delivered unprecedented growth and prosperity. But it has probably also played a part in increasing in-country inequality by giving higher returns to capital and educated, skilled workers than to the unskilled and semi-skilled. This is most visible in the global city.

Take Hong Kong and Singapore. Now their settled populations are more sensitive to rising income inequality. There is more popular pressure for government to provide more affordable housing, and more generous coverage for health care, pensions and social security. And there is more resistance to large-scale immigration.

How should governments respond to these "normal-country" concerns without undermining the essential logic of the global city?

Such are the challenges facing global cities. But they remain a hallmark of early 21st century globalisation, combining freedom and prosperity better than any other political-economic unit. In that sense we all have a stake in the global city.

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